



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

Q1 2019

January 1 – March 31, 2019

CONTENT

Page 3	Management's review and financial highlights
Page 4	Management's commentary
Page 5	Outlook
Page 6	Management statement
Page 7	Consolidated Income and Other comprehensive income statement
Page 8	Consolidated statement of financial position, Assets
Page 9	Consolidated statement of financial position, Liabilities
Page 10	Consolidated cash flow statement
Page 11	Statement of changes in equity
Page 12	Notes

MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q1			YTD March		
	DKK million, except for number of stores	2019	2018	Change	2019	2018
Net Sales	197,6	210,3	-6%	197,6	210,3	-6%
Closed stores	0,0	-6,9		0,0	-6,9	
Net sales continuing operations	197,6	203,4	-3%	197,6	203,4	-3%
EBITDA	5,0	9,3		5,0	9,3	
EBIT	-31,0	-28,4		-31,0	-28,4	
Profit for the period	-38,6	-41,2		-38,6	-41,2	
Cash flow from operating activities	-6,3	13,1		-6,3	13,1	
Total cash flow	-9,7	-11,5		-9,7	-11,5	
Number of stores	97	102		97	102	

- The revenue in Q1 2019 was slightly below last year, which was mainly caused by a challenging retail market in Australia.
- E-commerce delivered a strong performance with increased revenue across the regions.
- North America succeeded with creating growth in all channels.
- Improved gross margin and a decrease in operating expenses helps mitigate slightly lower sales.
- Profit for the period was increased by DKK 2.6 million compared to last year (minus DKK 38,6 million compared to minus DKK 41,2 million last year).

MANAGEMENT'S COMMENTARY

The net sales ended 6% lower compared to last year. Net sales from continuing operations decreased 3%.

In Q1 we have seen a strong performance in our wholesale and e-commerce channels. The growth in wholesale primarily concerns Scandinavia and in the North America we have seen growth across all channels.

Our e-commerce channel grew revenue by 40% compared to last year.

The positive performance in wholesale and e-commerce is off-set by lower net sales in our retail channel, both in the European and APAC region.

Our largest retail market, Australia, accounts for the majority of the setback in Q1. Currently the market is difficult, partly due to low footfall, which is a global challenge for most retailers.

From a product perspective, the two main product groups, Home & Jewelry, ended 3 % above last year and 5% below last year, respectively. The increase in sales in the Home category reflects the performance in wholesale and e-commerce channels, while the decline in the Jewelry category compared to last year, reflects the performance in our retail channel.

EBITDA decreased by DKK 4,3 million, due to the lower net sales. In Q1 2019 the relative profitability increased compared to last year, with an improvement of 1% in gross margin and lower OPEX of DKK 1,5 million. This mitigates part of the impact from the lower net sales.

The total asset value by the end of Q1 2019 amounted to DKK 928 million compared to DKK 1.145 million by the end of Q1 2018, which is a reduction of DKK 217 million. The reduction in asset value is primarily related to a decision to write down deferred tax assets by the end of 2018 and fewer stores relating to financial leases.

The composition of our liabilities changes significantly compared to Q1 2018 with the refinancing and the issued bonds.

The bond was issued 15th May 2018 and listed on Nasdaq in Stockholm on the 15th of May 2019.

Cash flow from operating activities in the period January to March is impacted by an increase in working capital of DKK 14,8 million. However, total cash flow was DKK 1,8 million better than Q1 2018.

Equity amounted to DKK 219.9 million and a solidity of 23 percent.

OUTLOOK

Outlook for 2019

Management confirms expectations of an increase in revenue of 2-3 percent, and an improved operating

profit between DKK 30-40 million yielding a positive result before taxes.

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the consolidated interim financial report of Georg Jensen A/S for the period January to March 2019. The consolidated interim financial report has not been audited or reviewed by the company's independent auditors.

The consolidated interim financial report for the period January to March of 2019 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2018 of Georg Jensen A/S. Furthermore, the consolidated interim financial report for January to March of 2018 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 21 May 2019

Executive Board

Francesco Pesci
CEO

Board of Directors

Hazem Ben-Gacem
Chairman

David Ching Chi Chu

Andrea Jayne Davis

Francesco Pesci

Karl Sebastian Inger

Annick Eliane M. Desmecht

Inge Andersen

Ida Heiberg Bøttiger

DISCLAIMER

This company announcement contains forward looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ from what is forecast in this report due to a variety of factors.

CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT	Q1		YTD	
DKK million	2019	2018	March 2019	March 2018
Revenue	197,6	210,3	197,6	210,3
Cost of sales	-75,9	-82,7	-75,9	-82,7
Gross profit	121,7	127,6	121,7	127,6
Other external costs	-50,2	-49,4	-50,2	-49,4
Staff costs	-66,3	-69,8	-66,3	-69,8
Other operating income and costs	-0,2	1,0	-0,2	1,0
Operating profit before depreciation and amortization	5,0	9,3	5,0	9,3
Depreciation, amortization and impairment losses	-36,1	-37,8	-36,1	-37,8
Operating profit	-31,0	-28,4	-31,0	-28,4
Financial income	8,0	0,6	8,0	0,6
Financial costs	-15,2	-12,8	-15,2	-12,8
Profit before tax	-38,2	-40,6	-38,2	-40,6
Tax on profit for the period	-0,4	-0,6	-0,4	-0,6
Profit for the period	-38,6	-41,2	-38,6	-41,2
OTHER COMPREHENSIVE INCOME				
	Q1		YTD	
	2019	2018	March 2019	March 2018
Profit for the period	-38,6	-41,2	-38,6	-41,2
OTHER COMPREHENSIVE INCOME				
<i>Items that will be reclassified to profit or loss</i>				
Adjustment Cash flow hedges	0,0	3,0	0,0	3,0
Exchange differences on foreign operations	1,5	0,0	1,5	0,0
Other comprehensive income after tax	1,5	3,0	1,5	3,0
Total comprehensive income for the period	-37,1	-38,2	-37,1	-38,2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	31/3 2019	31/3 2018	31/12 2018
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	77,8	94,2	94,3
Tangible assets	303,1	391,6	316,9
Financial Assets	28,8	28,1	28,9
Deferred tax	-	105,7	0,0
Total non-current assets	409,7	619,5	440,1
CURRENT ASSETS			
Inventories	372,3	393,5	360,7
Trade receivables	69,2	68,5	101,1
Other receivables	4,0	6,7	5,9
Receivable from group enterprises	14,7	11,4	14,9
Prepayments	21,9	26,4	19,6
Cash and cash equivalents	36,1	19,2	76,4
Total current assets	518,2	525,7	578,7
TOTAL ASSETS	928,0	1.145,2	1.018,8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	31/3 2019	31/3 2018	31/12 2018
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139,6	139,6	139,6
Share premium	488,3	488,3	488,3
Hedging reserve	0,7	3,7	0,7
Translation reserve	-3,4	-6,4	-4,9
Retained earnings	-405,3	-261,1	-366,7
Total equity	219,9	364,1	257,0
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond	298,0	0,0	298,0
Credit institutions	2,8	106,2	2,8
Lease liabilities	130,6	210,8	151,5
Provisions	15,9	11,8	12,9
Deferred tax	2,6	0,0	2,6
Retirement benefit obligation	6,6	4,9	6,6
Total non-current liabilities	456,5	333,7	474,4
CURRENT LIABILITIES			
Credit institutions	1,4	164,8	7,6
Trade Payables	69,2	103,6	89,8
Other Payables	89,4	83,3	99,8
Payable to group enterprises	7,4	6,9	7,4
Lease liabilities	77,2	80,6	77,2
Tax payables	3,9	1,8	2,6
Provisions	3,0	6,3	3,0
Total current liabilities	251,5	447,3	287,4
Total liabilities	708,0	781,0	761,8
TOTAL EQUITY AND LIABILITIES	928,0	1.145,2	1.018,8

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q1		YTD	
DKK million	2019	2018	March 2019	March 2018
Net profit for the period	-38,6	-41,2	-38,6	-41,2
Non-cash items	43,6	50,5	43,6	50,5
Change in working capital	-6,1	8,7	-6,1	8,7
Cash flows from operating activities before financial income and expenses	-1,1	18,1	-1,1	18,1
Financial cost, paid	-5,1	-5,0	-5,1	-5,0
Cash flows from ordinary activities	-6,2	13,1	-6,2	13,1
Income taxes paid	-0,1	0,0	-0,1	0,0
Net cash flow from operating activities	-6,3	13,1	-6,3	13,1
Purchase of intangible assets	-1,3	0,0	0,0	0,0
Purchase of property, plant and equipment	-2,6	-4,8	-3,9	-4,8
Sale of fixed asset investments etc.	0,4	0,0	0,4	0,0
Change in other financial assets	-0,7	-3,9	-0,7	-3,9
Net cash flow from investing activities	-4,2	-8,7	-4,2	-8,7
Changes in credit institutions	24,4	9,3	24,4	9,3
Repayment of lease obligation	-23,6	-25,2	-23,6	-25,2
Cash flow from financing activities	0,8	-15,9	0,8	-15,9
Net cash flow for the period	-9,7	-11,5	-9,7	-11,5
Cash and cash equivalents, beginning of the period	34,4	30,3	34,4	30,3
Cash and cash equivalents, end of the period	24,7	18,8	24,7	18,8

STATEMENT OF CHANGES IN EQUITY

Q1 2019

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139,6	488,3	0,7	-4,9	-366,7	257,0
Profit for the period	0,0	0,0	0,0	0,0	-38,6	-38,6
<i>Other comprehensive income</i>						
Exchange adjustment	0,0	0,0	0,0	1,5	0,0	1,5
Balance at the end of the period	139,6	488,3	0,7	-3,4	-405,3	219,9

Q1 2018

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139,6	488,3	0,7	-6,4	-219,9	402,3
Profit for the period	0,0	0,0	0,0	0,0	-41,2	-41,2
<i>Other comprehensive income</i>						
Adjustment cash flow hedges	0,0	0,0	3,0	0,0	0,0	3,0
Balance at the end of the period	139,6	488,3	3,7	-6,4	-261,0	364,1

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to March of 2019 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies and significant accounting estimates adopted in the preparation are consistent with those applied in the Annual Report 2018 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to March of 2019 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q1 2019

DKK million	Europe	APAC	North America	Other	Total
Total revenue	101,4	83,5	12,2	0,5	197,6
Gross Profit	31,7	46,6	4,9	38,5	121,7
OPEX	24,1	39,7	5,9	47,0	116,7
EBITDA	7,6	6,9	-1,0	-8,5	5,0
Amortisations and depreciations					-36,1
EBIT					-31,0
Financial income					8,0
Financial expenses					-15,2
Profit before tax					-38,2

Q1 2018

DKK million	Europe	APAC	North America	Other	Total
Total revenue	105,6	93,6	10,6	0,5	210,3
Gross Profit	33,5	53,8	4,7	35,6	127,6
OPEX	27,2	41,8	5,3	43,9	118,2
EBITDA	6,3	12,0	-0,7	-8,3	9,3
Amortisations and depreciations					-37,8
EBIT					-28,4
Financial income					0,6
Financial expenses					-12,8
Profit before tax					-40,6

3 REVENUE

PRIMARY SALES CHANNELS	Q1 2019	Q1 2018
B2B	76,6	80,1
B2C	118,2	125,5
Other	2,7	4,6
Total	197,6	210,3

PRIMARY PRODUCT LINES	Q1 2019	Q1 2018
Jewelry	103,2	108,3
Home	75,7	74,0
Other	18,7	28,0
Total	197,6	210,3

4 NET INTEREST-BEARING DEBT

DKK million	31/3 2019	31/3 2018	31/12 2018
Net interest-bearing debt comprises:			
Credit institutions (current)	1,4	271,0	7,6
Payable to group enterprises	7,4	6,9	7,4
Lease liabilities	207,8	291,4	228,7
Issued bond	298,0	0,0	298,0
Gross interest-bearing debt	514,6	569,3	541,7
Receivable from group enterprises	-14,7	-11,4	-14,9
Cash and cash equivalents	-36,1	-19,2	-76,4
Gross interest-bearing receivables	-50,8	-30,6	-91,3
Net interest-bearing debt	463,8	538,7	450,4

See note 10.3 in the annual report for in depth description on financial risks.

5 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, no other events that could significantly affect the consolidated interim financial statements as of 31 March 2019 have occurred.